

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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UBS FINANCIAL SERVICES, INC. and	:
UBS SECURITIES LLC,	:
	:
Plaintiffs,	:
	:
- v. -	: 10 CV 4298 (VM)
	:
WEST VIRGINIA UNIVERSITY HOSPITALS, INC.,	: ECF Case
UNITED HOSPITAL CENTER, INC., WEST VIRGINIA	:
UNIVERSITY HOSPITALS-EAST, INC., CITY HOSPITAL	: DECLARATION OF
FOUNDATION, INC., and WEST VIRGINIA UNITED	: NELSON DE LA CRUZ
HEALTH SYSTEM, INC.,	:
	:
Defendants.	:
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Nelson De La Cruz declares:

1. I am an Associate Director in the legal department of UBS Securities LLC (“UBSS”). I make this declaration on personal knowledge, and in reliance on the business records of Plaintiffs UBS Financial Services, Inc. (“UBS FS”) and UBSS (collectively “UBS”), in support of UBS’s motion for a preliminary injunction.

About UBS

2. UBS FS is a Delaware corporation engaged in a range of finance-based businesses, including investment advisory services, private banking, estate planning, the administration of employee stock option plans and insurance. Until January 2006, UBS FS also functioned as an underwriter for municipal bonds and similar securities.

3. UBSS is a Delaware limited liability company engaged primarily in various investment banking activities. These activities include underwriting securities, providing advice to corporations on structuring and finance issues (such as mergers and acquisitions), deal-making, foreign exchange services, managing the sale of sovereign assets, and providing banking services to other banks.

4. Attached hereto as Exhibit A is a true and correct copy of the Official Statement for the bonds issued by West Virginia University Hospitals, Inc. (“WVUH”) through the West Virginia Hospital Finance Authority (“WVHFA”), dated August 21, 2003. Exhibit A reflects that, in 2003, WVUH issued four series of bonds, three of which were structured as auction rate securities (“ARS”).

5. Attached hereto as Exhibit B is a true and correct copy of the Purchase Contract for the 2003 ARS between UBS FS as underwriter, on the one hand, and WVUH and WVHFA on the other hand, dated August 28, 2003.

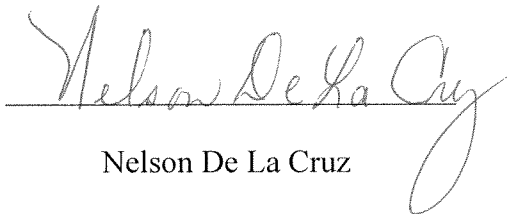
6. Attached hereto as Exhibit C is a true and correct copy of the Broker-Dealer Agreement for the 2003 ARS, dated August 1, 2003. Exhibit C reflects that UBS FS was designated as the auction broker-dealer for the 2003 ARS.

7. Attached hereto as Exhibits D and E are true and correct copies of the Official Statements for two additional issuances of ARS offered by WVUH through WVHFA, dated January 26, 2005, and May 31, 2006, respectively.

8. Attached hereto as Exhibits F and G are true and correct copies of the Purchase Contracts for the 2005 and 2006 ARS, dated January 26, 2005, and June 6, 2006, respectively.

9. Attached hereto as Exhibits H and I are true and correct copies of the Broker-Dealer Agreements for the 2005 and 2006 ARS, dated January 1, 2005, and June 8, 2006, respectively. Exhibit H reflects that UBS FS was designated as the auction broker-dealer for the 2005 ARS, and Exhibit I reflects that UBSS was designated as the auction broker-dealer for the 2006 ARS.

I declare under penalty of perjury that the foregoing is true and correct. Executed on October 21, 2010.


Nelson De La Cruz